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FM AMEMBASSY OSLO
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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

UNCLAS SECTION 01 OF 02 OSLO 000549

SIPDIS

STATE FOR EUR/NB

1E. O. 12958: N/A

TAGS: PGOV PREL NO

SUBJECT: NORWAY'S SEPTEMBER 14 NATIONAL ELECTIONS: LOTS OF DRAMA,
TOO CLOSE TO CALL

Ref: (A) Oslo 00476, (B) Oslo 00522

11. (U)Summary: With the Red Green governing coalition and the center-right opposition parties neck and neck, Monday's national election is destined to be a close one. The latest polls indicate a slim opposition victory, which would give them a majority of the seats in the national assembly and a shot at forming a government. However, a huge divide among the opposition parties could result in extended parliamentary negotiations on who is to take over. End Summary

"From Jens or Jensen" to "Stoltenberg or Solberg"

12. (U)Just a few weeks ago, Norwegian press and commentators focused on "Jens or Jensen," and the tight race between the two leaders of the two largest parties, the Labor Party (Ap) and the Progress Party (FrP), led by Jens Stoltenberg and Siv Jensen, respectively. Now, with the Conservative Party (H), led by Erna Solberg, closing in on the Progress Party, focus has shifted to the competition between "Stoltenberg or Solberg," as Solberg is now well-placed to form a center-right government in a coalition with the Christian Democratic (KrF) and the Liberal Party (V). Those three center-right parties combined are now bigger than the Progress Party; a trend likely to continue as Norwegians go to the ballot box on Monday. (Historically, FrP generally loses ground in the final days as elections approach.)

Erna Solberg: the Election's Dark Horse

13. (U)Conservative Party Leader Erna Solberg has made an unexpected comeback in the last few weeks before the election and is now featured prominently in media as potential Prime Minister material. While her party struggled in the polls over the summer, it has steadily increased its standing in polls and among media commentators. To date, Solberg's goal to unify the four center-right opposition parties and develop a common governing platform has failed. However, her humble approach has raised her profile and provided her a statesman's aura, as her fellow politicians bicker amongst themselves. Mrs. Solberg admits that she is riding two horses at once, keeping both the H plus FrP coalition option and the H, KrF, and V coalition option open. All opposition parties, however split on key issues and with solid guarantees, assure that voting for a non-socialist party means voting for change of government.

No Definitive Answer is Likely on Election Day

14. (U)On the left, the governing Red-Green coalition may pull it off and retain a majority between the three parties, with possible support from the Red party which hopes to enter parliament with one or two seats this fall. The only immediately clear outcome would be if the Red Green parties win a majority. Other types of outcomes could take several days or two weeks to sort out. At present, many polls show that the three Red-Green parties do not have the votes to remain in power as a majority government. On the right, the Liberal Party (V) has refused to support any government that includes FrP,

and FrP has declared it will not support a center-right government of which it is not a part. Because those pre-election promises block four-party cooperation on the right, post does not anticipate the election will result in a majority center-right government. Instead, it may take a week or two after the election for the intra-party politics to sort themselves out into which side gets to form a minority government.

15. (U)The Mechanics of forming a post election minority coalition: Norway's parliamentary system allows for a minority government to be formed without positive consent from majority of the national assembly. Whatever party or parties want to govern in the minority do not need an affirmative vote of the majority to support them, but they do need to ensure a majority doesn't actively oppose them. Traditionally, when an incumbent government loses its parliamentary majority in an election, the current Prime Minister, through the King of Norway, asks the largest opposition party or bloc of parties to form a government. According to current polls, H, KrF, and V, who might together draw some 33-36 percent of the 169 seats in parliament, would be asked to try to form that new government. Whether they can succeed in doing so will depend on the final numbers, the relative strength of each party on the left and on the right, and the moods of various parties in the negotiations that begin as final election results become clear.

Scenario 1: Center-Right government, potentially short-lived

16. (U)A center-right Solberg-led cabinet would not require FrP support to be installed as the new Norwegian government. However, such a government could receive a vote of no confidence just days or weeks after it starts, if a majority of parliament votes against its inaugural national budget (which is submitted concurrently right when the new government starts in early October). If it survives the initial budget debate, it could fall at any time thereafter on a

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question of confidence in the government itself. FrP has said in recent days that it would not necessarily support a minority, center-right government during budget negotiations. If that implied threat is carried out, this position could quickly bring down a nascent minority Solberg-led government and hand power to the only realistic alternative: a minority Labor Party government, which has been the norm in the post-World War II period. Some FrP officials have gone so far to say publicly that they would rather have a Labor Party minority government than a minority center-right government that excludes them.

17. (U)To avoid FrP's plan to upend a center-right minority government, a Solberg cabinet could decide to accept the current Red-Green coalition government's proposed 2010 national budget, hoping to gain support from the left-leaning parties. This would buy them some time to let post-election tempers cool. They could promise the FrP that they would accommodate the center right parties' interests in budget changes during the January budget review. The Labor Party would be prepared throughout the next four-year government term to take over and form its own minority government if a center-right government falls.

Scenario 2: Minority Labor government

18. (U)Another likely outcome is that the current Red Green coalition government loses the election, but the Labor Party, the largest coalition partner, forms the next government. This could be done if the party exploits the center-right parties' inability to cooperate. Current Prime Minister and Labor Party Leader Jens Stoltenberg would form that new government with Labor Party politicians only. This will give the government more room to maneuver before passing draft legislation to the national assembly, and it could then seek a majority on issues with different parties on the left and the right on a case-by-case basis.

Scenario 3: Continued Red Green government

19. (U)If the Red Greens succeed beyond their current poll numbers and receive a majority of seats in parliament, the current coalition would continue in government along more or less the same lines as

the status quo, with minor cabinet adjustments. PM Stoltenberg has, in the campaign's final days, tried to capitalize on his personal popularity, emphasizing that if the Prime Minister election were a direct one, he has the largest support, with Siv Jensen and Erna Solberg trailing far behind. To realize their hope for him to be Prime Minister, he has said, voters have to turn out and vote for Labor or one of its coalition partners.

Changes in Foreign and Defense Policy - Nothing Drastic

¶10. (U)Norwegian foreign policy debate is characterized by consensus, meaning, not a whole lot would change with a new government. Hence, foreign policy has not been a key issue in this year's election. Norwegian Middle East policy is likely to change with a centre-right government. A Christian Democratic foreign minister would, for example, mean a more Israel-friendly policy and a more sober view of dialogue with and aid funneled through Palestinian organizations like Hamas. However unlikely, a Progress Party-run foreign and defense policy would take it a step further and actively support Israeli foreign policy.

¶11. (U)On Afghanistan, all opposition parties want to remove the existing national caveat on Norway's contribution to the ISAF, a caveat introduced by the Socialist Left Party and supported by their coalition partners Labor and SP. The current defense budget amounts to 20 billion USD and is likely to increase only moderately if the Red Green coalition government gets reelected. A Labor minority or center-right minority government would also likely increase defense spending moderately, while any constellation with the Progress Party would likely push to increase funding to all military spheres, adding up to 1 billion USD more for defense spending each year in the next parliament term.

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